


INTER-DEPARTMENT COMMUNICATION

TO City Council
DEPARTMENT
ATTENTION
COPIES TO

DATE April 25, 2001
FROM Rick Peo 
DEPARTMENT City Law
SUBJECT 01R-109 (Sewer Connection
Fee - South Salt Creek Trunk
Sewer)

Pursuant to the requirements of the Conditional Annexation and Zoning Agreement for Yankee Hill Road Vicinity, a significant portion of the cost of the South Salt Creek Trunk Sewer (Identified as Sewer A and Sewer B in said Agreement) was funded by Ridge Development Company, Southview Inc., Ridge Place Ltd., and Large Partnership Ltd. Therefore, the City agreed to use its best efforts to charge the owners of other properties that would be sewerable by the construction of the South Salt Creek Trunk Sewer their fair share of the cost of said sewer before the owners of said other properties would be allowed to connect to said sewer. The Agreement further provided that if a per acre formula is used it should be based upon a per acre cost roughly equivalent to the design costs, right-of-way and easement costs, and hard construction costs to provide sewer capacity to serve area S1 and a portion of area S2 encompassing approximately 1,037 acres.

In the attached memorandum dated April 19, 2001 from Dennis Bartels to Steve Henrichsen, the Department of Public Works calculated the cost of construction of South Salt Creek Trunk Sewer at \$1,100.00 per acre. The portion of that cost which was subsidized by Ridge Development Company, Southview Inc., ridge Place Ltd., and Large Partnership Ltd. calculates at \$351.25 per acre. Since the purpose of the connection fee is to insure that the other property owners whose land would be made sewerable by the construction of the Salt Creek Trunk Sewer pay an amount roughly equivalent to that amount paid by Ridge Development Company, Southview Inc., Ridge Place Ltd., and Large Partnership Ltd., it is my opinion and recommendation that a fair share cost would be \$351.25 per acre, not the \$1,100.00 per acre cost.

In addition to the memo of April 19, 2001 from Dennis Bartels, I am also enclosing the subject provisions from the Yankee Hill Road Vicinity Agreement relating to the sewer connection fee.

ERP/tb

D-8818
RECEIVED


cl

APR 19 2001

LAW DEPT.

Memorandum

[REDACTED]

To: Steve Henrichsen, Planning Department
From:  Dennis Bartels, Public Works & Utilities
Subject: Sewer Connection Fee South Salt Creek Trunk
Date: April 19, 2001
cc: Roger Figard, Steve Masters, Rick Peo, Nicole Fleck-Tooze

Per the annexation agreement for Wilderness Ridge which states "If a per acre formula is used, it shall be based upon a per acre cost roughly equivalent to the design costs, right-of-way, and easement costs and hard construction costs to provide sewer capacity to serve S1 and a portion of Area S2 comprising approximately 1,037 acres." My calculations per acre based on this agreement are as follows:

Design Costs	\$96,000.00
ROW & Easements	\$73,737.00
Engineering Charges	\$40,492.74
Contract Amount	<u>\$867,317.26</u>
Sub-Total	\$1,077,547.00
Estimated Cost of Unbuilt Sewer B	<u>\$73,500.00</u>
Grand Total	\$1,151,047.00

Per acre cost - $\$1,151,047.00 / 1,037 \text{ acres} = \$1,109.98$

Say \$1,100/acre.

Of the above costs, the City paid $\$750,000.00 + \$36,801.96 = \$786,801.96$.